Liggett & Myers Tobacco Company, Inc.

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Joseph H. Greer

Vice President & General Counsel

Messrs. Dey

Hooker/Legal Files

Frovost/McKenna

Seidensticker

Re: Tobacco Institute Reply to Califano

Attached is a new draft of the Institute's reply to the Ayatollah Califano. It is much briefer than the former draft, but I personally feel it is still a little weak.

B&W, Reynolds and Lorillard have already approved of this draft, and I am advised that Philip Morris will notify the Institute of any changes by the end of the week. If you have any suggested changes, please let me have them as soon as possible, and I will notify Tom Frankovic on Friday of any such changes.

*V* 

att.